DOCUMENT RESUME

ED 472 999 EA 032 334

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TITLE	Public Voucher Plans. Trends and Issues.
INSTITUTION	ERIC Clearinghouse on Educational Management, Eugene, OR.
SPONS AGENCY	Office of Educational Research and Improvement (ED), Washington, DC.
PUB DATE	2002-00-00
NOTE	22p.; In: School Choice. Trends and Issues; see EA 032 330.
AVAILABLE FROM	ERIC Clearinghouse on Educational Management, 5207 University of Oregon, Eugene, OR 97403-5207. Tel: 541-346-2332; Tel: 800-438-8841 (Toll Free); Fax: 541-346-2334; Web site: http://eric.uoregon.edu. For full text: http://eric.uoregon.edu/trends_issues/choice/intersectional.html#public_vouchers.
PUB TYPE	ERIC Publications (071) -- Reports - Descriptive (141)
EDRS PRICE	EDRS Price MF01/PC02 Plus Postage.
DESCRIPTORS	Economics of Education; Educational Administration; *Educational Vouchers; Elementary Secondary Education; Nontraditional Education; Private School Aid; Program Effectiveness; School Choice

ABSTRACT

This document provides an overview of public-school voucher plans. Educational vouchers originated in the 1960s when Milton Friedman argued that vouchers would improve educational efficiency. Parents would receive the equivalent of per-pupil expenditures in the form of vouchers that could then be used at any school, either public and private. But the plan has met with resistance; public-opinion polls in 2001 revealed that 62 percent of respondents opposed allowing parents to choose a private school at public expense. In those cases where students attend private schools with public funds, 82 percent of the public believes that these private schools should be held as accountable as public schools. The report describes some of the legislative action and referenda that surround vouchers, along with constitutionality issues being played out in Milwaukee, Wisconsin; Cleveland, Ohio; Florida; Maine; and Vermont. To further complicate the issue, studies of voucher systems give mixed results as to their effectiveness, and simply implementing these programs has been challenging. The document describes the effect of public vouchers on private schools, their impact on public schools, and their cost-effectiveness. The article closes with some recommendations and delivers some arguments for progressive voucher policies. (Contains 55 references.) (RJM)

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Trends and Issues

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Public Voucher Plans

By Margaret Hadderman

The concept of educational vouchers originated in the early 1960s, when Milton Friedman argued that vouchers would improve educational efficiency. Parents would be given vouchers equal to the per-pupil expenditure in the public schools. These vouchers could be used at whichever school parents wished their children to attend, whether public or private.

In 1971, while working on California's famous *Serrano* case, law students Jack Coons and Stephen Sugarman recommended that vouchers be used for students in poor districts to remedy unconstitutional school-funding inequities (Miller 1999).

Voucher plans have been criticized on legal and equity grounds, as the following discussion makes clear.

In 1969, the Office of Economic Opportunity launched the Alum Rock (California) voucher project, which eventually became a limited open-enrollment program. The problem was that most of the parents (as in many other studies) preferred neighborhood schools instead of alternative schools. In sum, neither school personnel nor parents acted the way free-market theory predicted they would (Ascher 1996).

Arnold Fege, director of government relations for the National PTA, views the voucher issue as a "battle for public resources, with $386 billion at stake" and a private sector anxious to grab its share (Saks 1997). For others, the key public issue is deciding who has the right to spend the money—public providers or the consumers themselves?

Public Opinion Polls

In the September 2001 Phi Delta Kappa/Gallup Poll (Rose and Gallup 2001), 62 percent of respondents opposed allowing parent to choose a private school for their children to attend at public expense, compared with 56 percent the previous year, and 34 percent were in favor, compared with 39 percent in 2000. Opposition declined between 1993 and 1998, but has gradually increased since fall 1999, when 55 percent opposed public vouchers and 41 percent favored them.

In both the 1998 and 1999 Phi Delta Kappa/Gallup Polls (Rose and Gallup 1998, 1999), 51 percent of the public said they would favor a proposal for total or partial government tuition to send their children to private or church-related schools. In 2000 and 2001, public approval declined to 45 and 44 percent, respectively. In 1999, 61 percent of public-school parents favored such plans, compared with 56 percent in 1998. By 2001, public-school parents' approval had dropped to 52 percent.

In 1999, 74 percent of the public believed that private schools accepting public funds should be required to admit students from wider backgrounds and ability levels; 77

percent believed that publicly supported private or church-related schools should be as accountable to the state as public schools are.

In 2001, public and parental support for making publicly supported private schools as accountable as public schools was the highest ever, at 82 and 83 percent, respectively. Additionally, both the general public and public-school parents (72 and 73 percent, respectively) solidly support reforming the existing public-school system over seeking alternatives to it. For the first time in these polls' thirty-three-year history, "a majority of respondents assign either an A or a B to the schools in their communities"(Rose and Gallup 2001).

These sentiments are echoed in three other polls.

Public Policy Forum. According to a Public Policy Forum survey, Ohio and Wisconsin taxpayers "favor expanding voucher programs in their states that involve private schools, but believe those schools should be held accountable to the public" (Schnaiberg 1998). Respondents identified the need for guidelines that would (1) require choice schools to make public their missions, philosophies, governance structures, curricula, and other relevant characteristics; (2) create public boards to publicize school information; and (3) revoke taxpayer money if they fail to meet reporting requirements.

Hart Research Associates. In 1998, a Peter D. Hart Research Associates Poll was commissioned by the American Federation of Teachers and administered to a random sample of over 800 respondents (Peter D. Hart Research Associates Poll 1998). Although support for the notion of "allowing students and parents to choose a private school to attend at public expense" drew mixed responses (38 in favor and 54 percent opposed), "support for accountability was overwhelming." More than 80 percent favored requiring schools to meet basic curriculum and teacher-qualification standards. Voucher schools would also have to avoid racial and religious discrimination, meet health and safety conditions, employ only certified teachers, disclose their budgets, use the same tests as public schools, and comply with the Americans with Disabilities Education Act.

Zogby. A poll of 1,211 adults (including an oversample of African-Americans) conducted by Utica-base Zogby International found only "paper-thin" support for vouchers (National School Boards Association News Release 2001). In this telephone poll, "a huge majority of those surveyed, up to 90 percent, say that private schools accepting vouchers must meet the same accountability standards as public schools" (NSBA 2001). Although equal proportions of those surveyed (48 percent) favored or opposed vouchers, nearly 40 percent of supporters would "withdraw their support if it results in a loss of tax dollars to public schools" (NSBA 2001). Also, 57 percent of African-American respondents opposed vouchers, and 41 percent favored them.

Just 12 percent of all adults and only 5 percent of African-Americans surveyed selected vouchers as the best way to improve public schools; respondents clearly preferred that "tax dollars be invested in strategies such as reducing class sizes and strengthening teacher quality."

Public Agenda. Yet another poll, Public Agenda's (2000) comprehensive survey of national attitudes on public-school alternatives, cautions against misreading public views on vouchers and charter schools. The vast majority of citizens, including many Milwaukee and Cleveland residents, know little about these educational alternatives.

Legislative Action and Referenda

On the legislative front, voucher proposals were defeated in Congress and in Washington, Oregon, Colorado, Texas, and California during the mid-1990s (Saks 1997; Johnston 1997) and more recently in New Mexico and Pennsylvania (Pipho 2000). In June 1999, the Florida legislature enacted a statewide voucher system for up to 150,000 disadvantaged students attending schools rated as "failing" (Elam 1999).

At least twenty-five states introduced voucher bills during the 1999-2000 session (Pipho 2000). Aggressive, ongoing campaigns were being waged in Michigan, Colorado, Texas, Pennsylvania, California, New Mexico, Vermont, and Washington (Johnston 1997; Bowman 2000). At least seven of these states echoed Florida's approach—using school performance and accountability arguments (rather than pleas for fairness and increased choice for poor families) to justify voucher proposals (Bowman 2000).

In fall 2000, Michigan and California voters defeated voucher proposals by wide margins.

At the polling booth, Americans are not showing tax support for parochial or private schools (Menendez 1999). Since 1966, this issue has been rejected twenty-three out of the twenty-four times it was considered by the electorate. Various voucher/tax-credit schemes have been rejected by two-thirds of voters in twelve out of thirteen states and the District of Columbia. The exception was South Dakota. Legislatures in Minnesota, Arizona, and Iowa have enacted education tax-credit plans (Fuller and others 1999).

Constitutionality Issues

The best-known publicly funded voucher programs—in Milwaukee, Wisconsin; Cleveland, Ohio; and Florida—have been subjected to court scrutiny in recent years, culminating in the June 2002 Supreme Court decision that Cleveland's voucher program is constitutional.

Milwaukee, Wisconsin. The Milwaukee Parental Choice Program (MCPC) began in 1990. It offered $2,900 in private-school tuition for children from low-income families. Religious schools were added to the program in 1995 (Walsh 2001). By 2002, voucher amounts had increased to over $5,000, and enrollment reached nearly 11,000 students at 106 schools (Norquist 2002).

In June 1998, the Milwaukee State Supreme Court, based on *Agostini v. Felton* (a U.S. Supreme Court ruling allowing Title I aid to disadvantaged parochial-school

students), upheld the program's inclusion of religious schools (Walsh 1998). The court ruled that "the amended MPCP does not violate the Establishment Clause because it has a secular purpose, it will not have the primary effect of advancing religion, and it will not lead to excessive entanglement between the state and participating sectarian schools" (Excerpt from the ruling; Walsh 1998).

In November 1998, the U.S. Supreme Court declined to review the Wisconsin ruling—a disappointment for critics and advocates alike (McCarthy 2000). It agreed, however, to review the Cleveland program and ruled in June 2002 that it was constitutional.

Cleveland, Ohio. Enacted by the Ohio Legislature, the Cleveland Scholarship and Tutoring Program was implemented in 1996 in response to low academic scores in the city's schools. This program targets low-income families, has embraced religious schools from its inception, and provides tutoring assistance. By 1997-98, vouchers worth up to $2,250 were available for 4,000 K-5 students (Metcalf and Tait) in 56 private schools, 46 of which are religious (Archer, January 12, 2000). In 2000, "about 96 percent of the students were using the vouchers to attend religiously affiliated schools" (Walsh 2001).

Because the overwhelming majority of the schools funded by the public program were sectarian, Cleveland residents filed a lawsuit declaring it a violation of the First Amendment's Establishment Clause. Voucher proponents asserted that the program did not endorse religious schools per se because it left up to the participants the choice of which school to attend, whether religious or nonreligious. The case challenged that claim, stating that, as a matter of practice, the $2,250 tuition limit was enough to cover only the fees of religious schools, which often receive additional support from private donations and consequently have lower tuition needs than independent nonsectarian private schools (Biskupic and Henry 2002).

After a state appeals court ruled that the program violates federal and state bans on government aid to religious institutions, the case ended up in the Ohio Supreme Court. In December 1999, U.S. District Judge Solomon Oliver, Jr., ruled that the Cleveland plan "violates the U.S. Constitution's ban on a government establishment of religion" (Archer, January 12, 2000). Cleveland took the case to the U.S. Sixth Court of Appeals, which upheld the Ohio Supreme Court's ruling.

In June 2002, in the last ruling on the last day of the annual session, a divided panel of the U.S. Supreme Court delivered its decision for what had been the most controversial case of the year. The High Court's conservative majority, headed by Chief Justice William H. Rehnquist, prevailed in a 5–4 ruling that Cleveland's voucher program does not constitute the establishment of religion and is therefore constitutional (*Zelman v. Simmons-Harris, Hanna Perkins School v. Simmons-Harris, Taylor v. Simmons-Harris.*). Rehnquist announced that the Court found that Cleveland's program was "one of true private choice" that is "neutral in all respects toward religion" because participants still

have the option of attending a public school, magnet school, or nonreligious private school (*Zelman et al. v. Simmons-Harris et al.*).

He received the complete backing of Justice Sandra Day O'Connor, who was widely expected to be the swing vote in the case because she had qualified her earlier support of the majority stance by insisting on the distinction between programs that send funds directly into religiously affiliated institutions—giving the appearance that the government endorses religion—and those that give the money to individuals and let them decide where to spend it (Fletcher 2002). Some had expected her to limit the impact of the case by including some provisos in a separate assenting opinion, but no such caveats were made (Biskupic and Henry 2002).

Justices Antonin Scalia, Anthony Kennedy, and Clarence Thomas joined Rehnquist and O'Connor in the decision (*Zelman et al. v. Simmons-Harris et al.*).

The High Court has given increasing amounts of leeway in cases involving the diversion of public funds to religious schools within the past several decades. In 1968, it ruled that the government could supply nonreligious textbooks to private school students (Schulte, June 28, 2002). Eighteen years later, it approved one student's use of a state vocational scholarship to attend a religious institution to become a pastor. And in 1993, it decided that federal money can pay for sign-language interpreters for deaf students at parochial schools. Rehnquist asserted that the Court's ruling in the Cleveland voucher case is consistent with that line of precedents (Lane 2002).

Among the dissenters in the Court's liberal minority was Justice David Souter, who lamented the decision to support a program he feels forces taxpayers to subsidize faiths other than their own while corrupting religious institutions by making them dependent on government funds and opening the door to future government interference (Lane 2002). Several religious groups, including the Council on Religious Freedom and the Seventh-Day Adventist Church State Council, oppose the decision on the same grounds (Biskupic and Henry 2002).

Justice Stephen Breyer pointed out that the ruling may not even help the low-income students for whom it was intended, if their only choice is between an inadequate public school and a private school that teaches religious beliefs contrary to their own (Biskupic and Henry 2002). Souter and Breyer were joined by Justices Ruth Bader Ginsburg and John Paul Stevens (*Zelman et al. v. Simmons-Harris et al.*).

The Supreme Court's ruling has breathed new life into the campaign for voucher programs across America by putting the constitutionality question to rest. President George W. Bush, whose support gave a significant boost to Cleveland's case, called the ruling a "landmark victory," comparing its importance to the *Brown v. Board of Education* case that called for the desegregation of American schools in 1954 (Milbank 2002).

The Supreme Court, which approved the constitutionality of only those voucher programs similar to Cleveland's, has passed the issue into the hands of state legislatures across the United States. The eight states in which advocates invest the most hope for passing voucher laws are Minnesota, Colorado, Texas, Arizona, Indiana, Virginia, Alabama, and Utah (Frieden 2002). And only a few hours after the delivery of the Supreme Court's decision, House Majority Leader Rep. Richard Armey (R-Tex.) reintroduced a bill to institute a voucher program in Washington, D.C., that is identical to one that was passed by Congress in 1997 but vetoed by then-president Bill Clinton (Schulte 2002).

Many states' constitutions have their own clauses establishing the separation of church and state, so the constitutionality question may arise again in state supreme courts, though the High Court's precedent will be difficult to supersede.

Florida. A plan enacted by the Florida Legislature in June 1999 could qualify "as many as 150,000 of the state's 2.3 million K-12 public school students for vouchers," at a cost of $750 million (Elam 1999). The Opportunity Scholarship Program "allows children in schools deemed failing by the state for two years out of four to receive vouchers to attend other public schools or private schools, including religious ones" (Walsh 2001).

The program was temporarily derailed by a March 2000 decision by Florida circuit court Judge L. Ralph Smith, who found that "giving students taxpayer-financed vouchers for private-school tuition" violated the Florida Constitution's guarantee of a "uniform, efficient, safe, secure, and high-quality system of free public schools" (Wilgoren 2000). In October 2000, a three-member state appellate panel overturned Judge Smith's decision and reinstated the program (Sack 2001). In April 2001, the Florida Supreme Court declined to review a case challenging the program, letting stand the appellate court's decision.

So far, only fifty-eight students (from failing Pensacola schools) have used vouchers for private schools; seventy-eight students transferred to other public schools (Walsh 2001). A separate program, also enacted in 1999, "provides vouchers permitting disabled students to attend private schools or out-of-district public schools"; about 4,000 are expected to take advantage of the program during 2001-02.

Maine and Vermont. In Maine and Vermont towns lacking high schools, informal voucher plans have allowed secondary students to attend public schools or approved private schools outside their home districts since the 1870s (McCarthy 2000; Walsh 2001). In both states, higher courts have turned back citizens' efforts to add religious schools to the list of options (McCarthy 2000; Mathis and Merriam 1998; Walsh 1999).

The experiences of these five states suggest that including parochial schools in voucher plans is extremely controversial—especially because 80 percent of private schools have religious ties (Hadderman 2000). The High Court's increasingly relaxed

interpretation of the establishment clause is no guarantee that voucher proponents will prevail. As Wilgoren notes, " vouchers could still be blocked by state constitutional promises of a free public education."

States with "Blaine Amendment" type laws that forbid public funding of sectarian schools will offer tough resistance (Viteritti 1998). Ironically, laws that "erupted out of a spirit of religious bigotry" seeking to promote Protestantism in public schools in the early twentieth century "eventually became an emblem of religious freedom" (or, as some have said, freedom from religion) in some states. Courts do exercise discretion. In Arizona, for example, the state supreme court's 1999 decision upholding tax credits to benefit private-school scholarship funds overlooked a Blaine-like constitutional provision forbidding tax support of religious schools (Walsh, October 13, 1999).

Research Results

Disagreement in Milwaukee. In 1996, researchers examining the Milwaukee choice program drew diametrically opposite conclusions. A study by Jay P. Greene and Paul E. Peterson "contradicts 5 years' worth of evaluations by John Witte and his colleagues at the University of Wisconsin-Madison" (Saks 1997). Witte's evaluations found no achievement differences between voucher and comparable public-school students for any given year. Comparing selected students with those not selected for the voucher program, Greene and Peterson found that voucher students' third- and fourth-year reading scores were 3 to 5 percentage points higher, and their math scores were 5 and 12 percentage points higher.

The validity of both studies has been under attack. Voucher opponents have championed Witte's findings as proof of vouchers' failings. Proponents have trumpeted Greene and Peterson's findings as demonstrating vouchers' effectiveness. Different research designs have complicated efforts to evaluate these studies objectively.

In 1997, the Milwaukee data were reanalyzed by Cecilia Rouse of Princeton University (Fuller and others 1999). Comparing annual gains for a larger sample of voucher students with both Milwaukee Public School students and students denied admission to the voucher program, she "found a modest gain of 1.5 to 2.3 percentile points per year in math for the voucher students, but no statistically significant differences in reading scores." Rouse's methodology apparently overcame some weaknesses of Greene's analysis, but did not fully compensate for selection bias (contributions of family and home factors) (Fuller and others 1999).

Expanding her study, Rouse examined Milwaukee student-achievement data in the city's magnet schools, regular attendance area schools, and a group of attendance area schools with small class sizes and supplemental state funding (the P-5 schools). She "found that the P-5 schools performed as well or better than students in choice schools" (Molnar 2000; Rouse 1998).

Confusion in Cleveland. Preliminary evaluations of the Cleveland Scholarship Program have been equally contentious. A study by Jay P. Greene, Paul E. Peterson, and William G. Howell "found achievement gains among students at 2 out of 55 schools in the program, while a report from the American Federation of Teachers called the study a 'cruel hoax' " (Viadero 1997).

According to Greene and associates (1997), K-3 students at two specially created private schools gained "5 percentile points on the reading test and 15 percentage points in math." The AFT claims that "testing students from fall to spring exaggerates student gains." Others, such as Harvard University education professor Richard Elmore, argue that such testing is valid. The AFT also claimed that students at existing private schools "had crowded out some public school students who wanted to attend those schools" (Viadero 1997).

Preliminary results from a state-commissioned study led by Kim Metcalf of Indiana University showed that 94 third-grade voucher recipients did no better academically than 449 third-graders of similar background who attend Cleveland Public Schools (Walsh 1998). However, Metcalf did find "somewhat higher achievement of fourth-grade choice students in science and language" (Drury 2000).

Interestingly, achievement results varied from school to school. "Students attending private schools established before the introduction of vouchers were largely responsible for the achievement advantage of voucher students"; those attending the newly established Hope academies (contrary to Paul Peterson and associates' findings) "actually scored lower than their counterparts in the Cleveland Public Schools" (Drury 2000).

A more recent study by Metcalf found a slight edge for Cleveland voucher students after three years of school (Johnston 2001; Ohio Department of Education 2001). The study "examined performance of a randomly selected group of 894 scholarship recipients and public school students" who began kindergarten in 1998. Metcalf found that scholarship students were performing at higher levels in math, reading, and language by first grade. By the spring of their second-grade year, "public-school students had closed the performance gap in all areas" (ODE 2001). However, scholarship students who remained in the program for three full years "continue to perform slightly higher."

Other Studies. Analyzing several evaluations of the Cleveland and Milwaukee programs and a privately funded New York City scholarship program, WestEd researchers found consistent, generally positive results regarding inclusion of low-income families, parent satisfaction, parent education levels, parent marital status, family size, race-ethnicity, and attrition and mobility (Adelsheimer 1999). Researchers' findings were inconsistent regarding student achievement and parent involvement.

On October 1, 2001, the U.S. General Accounting Office issued a report stating that "research doesn't provide a definitive answer on whether publicly financed tuition

voucher programs in Cleveland and Milwaukee have raised student achievement" (Zehr 2001). The GAO reviewed research conducted by state-contracted evaluation teams and independent researchers, focusing on standardized test results and excluding issues of student and parental satisfaction.

Findings were inconclusive, according to the GAO, because "researchers found different results when they used different methods to compensate for weaknesses in the data" (Zehr 2001). Inadequate enrollment and test-score information for the Milwaukee program added up to too many unknowns.

Implementation Challenges

Operational Obstacles in Ohio. One major challenge to publicly funded voucher programs involves transportation—the Cleveland program's biggest headache, besides bureaucratic opposition, according to program director Bert Holt (Archer 1999). Because of insufficient funding, voucher students had to be transported by cab drivers (who overcharged for their services) to private schools. This oversight resulted in the legislature's approval of an additional $2.9 million in state aid for the voucher program and a prompt amendment of the voucher law to include school-bus transportation.

Monitoring has also been problematic in Cleveland's charter and voucher programs. In January 2000, a state audit "charged that the now-defunct Islamic Academy School of Arts and Sciences had taken $70,000 from the Cleveland voucher program for students who did not attend the school" (Archer, January 19, 2000). There are administrative problems surrounding approval of vouchers for higher income families. More oversight is being planned for all Ohio choice programs.

Another challenge is reconciling the Cleveland program's intent and purposes (supposedly to give low-income parents an alternative to poorly performing public schools) with current implementation practices. A study found that just one-fifth of voucher pupils left public schools in Cleveland, and that one-third of students using vouchers for private-school tuition "had already been enrolled in a private school before receiving the publicly funded benefits" (Fine 2001).

According to a senior researcher at Policy Matters Ohio, the nonprofit group that conducted the study, "the numbers suggest that vouchers in Cleveland are serving more as a subsidy for students already attending private schools than as a way for students to leave badly performing schools" (Fine 2001). Despite critics' claims that the study raises new constitutionality concerns, state officials do not "believe the program is disproportionately benefiting private school students."

Management Mobilizations in Milwaukee. John Witte (1999), commissioned to conduct a five-year evaluation of the Milwaukee Parental Choice Program, gave the program high marks for its original design, which succeeded in attracting very poor, mostly minority families whose children were not performing well in the public schools. Parents were satisfied with their children's new private (nonparochial) schools, and the

private schools benefited by becoming more solvent and, in some cases, converting to public charter schools.

For Witte, the program had four somewhat negative aspects: loss of better-educated, active parents for public schools; a 30 percent student attrition rate from the private schools; closure of four private schools; and unremarkable test scores. Witte found little empirical support for the legislature's expansion of the program in 1995 to include religious schools and serve 15,000 students (including some K-3 students already attending private schools). Witte believes the legislature may be tempted to expand the program further to embrace non-Milwaukee and higher income families.

Effect of Public Vouchers on Private Schools

Voucher plans' effects on private schools cannot be ignored. Currently, the United States provides private schools with very limited kinds of assistance—state aid for busing, books, and auxiliary services, and special federal programs for disabled and disadvantaged students—and regulates them lightly, compared with many other countries (Center on Education Policy 1999).

Acceptance of public funds is usually accompanied by government regulation and increased paperwork (Adelsheimer 1999). States or the federal government would have to hold private schools accountable for their use of public funds; ensure equitable, nondiscriminatory educational and administrative practices; protect parents from profiteers; and ensure that students receive an adequate education (Center on Education Policy 1999). Currently, neither Florida private schools nor the Catholic Archdiocese of Milwaukee have to report voucher students' test scores—a practice that is likely to change in an accountability-prone era (Bracey 2000).

Private schools do not have to administer the same standardized tests as public schools or hire college-educated teachers. They are not subject to open-meeting or open-records laws, nor must they provide the public with data on suspension, expulsion, or dropout rates; teacher certification, salaries, or benefits; or the education of bilingual and special-education students" (Miner 2000; Kennedy 2001).

The vast majority of private schools are sectarian. As of fall 1997, there were 27,402 private elementary and secondary schools in the United States, of which 48 percent are Catholic, 30 percent are other religious, and only 22 percent are nonsectarian (U.S. Department of Education 1997). As one public-policy professor points out (Kennedy 2001), "any voucher program purporting to give students and their parents significant 'choice' must invariably include pervasively sectarian institutions"—a significant constitutional roadblock for voucher proponents, who view vouchers as an updated K-12 version of the GI Bill.

Myron Lieberman (2001) points out that denominational schools predominate in voucher plans because "free" public schools' enjoy an unfair competitive advantage over nondenominational schools that parents would have to pay for. Parochial schools are not

true competitors, however, as they offer a type of education unavailable at public institutions.

Implementation of voucher programs (as in Milwaukee) may be hampered by some private schools' midyear school closings, student attrition, unstable finances (Witte 1999). A common eligibility requirement for voucher recipients is participation in government free/reduced-price lunch programs—a problem for private schools that do not participate (Mandell 1999).

Milwaukee parochial schools are coping with increased growth and more intrusive accountability and admission standards. Some applicants may be overlooked in favor of kids backed by $4,900 vouchers (Fuller and others 1999). In some areas, voucher amounts are too small to cover the costs of private-school tuition. Florida private schools with relatively high tuition, for example, may not wish to accommodate kids with $4,500 vouchers (Elam 1999).

More information is needed concerning private schools' capacity and willingness to accept diverse student populations. A U.S. Department of Education study that surveyed private schools to discern their willingness to relieve overcrowding in urban public schools uncovered statistics with implications for voucher programs (Muraskin 1998). Fully 73 percent of nonpublic schools are not interested in accepting special-needs students; 92 percent would accept student transfers only if "allowed to maintain their current admissions, curriculum, and religious-instruction policies."

Effect of Vouchers on Public Schools

Proponents of vouchers (and of school choice in general) claim that competition with private schools will spur public schools to perform at a higher level in an effort to satisfy parents and students and keep them from fleeing to private schools. Opponents counter that, in the competition for students, private schools will siphon from public schools their best students (and the per-pupil funding that accompanies them), leaving those schools in worse condition than before this free-market "reform" was enacted.

Caroline Minter Hoxby (2001), a professor of economics at Harvard University, notes that "only in one city, Milwaukee, and in two states, Arizona and Michigan, have the new choice reforms created truly fluid education marketplaces for a sustained period." Her data from those three locales show that public schools respond favorably to competition. "In Milwaukee," she states, "schools facing more competition from vouchers improved at rates faster than schools facing little or no competition from vouchers." The positive effect of competition was evident in every subject area tested. Fourth-grade math scores, for example, rose by about 7 percentile points per year in the schools facing most competition, compared with just 4 percentile points in the schools in the control group.

John Q. Norquist (2002), the mayor of Milwaukee, testifies that his city's voucher and charter-school programs have "brought higher achievement, fostered diversity and

contributed to urban renewal." Pointing to improvements throughout the Milwaukee education systems that have come about since the city embarked on school choice, Norquist, a Democrat, rejects the claim that vouchers help private schools at the expense of public schools:

> The important thing to understand is that the choice and charter school programs have brought many fundamental changes in the way Milwaukee public schools do business. Responding to expanded school choice, public school administrators negotiated with their teachers' union a new program to "counsel out" problem teachers. They gave individual schools more responsibility for teacher hiring, school budgeting, and curriculum. And they expanded specialty programs like Montessori schools that historically turned students away because of space shortage.
>
> Those changes worked magic internally. There were structural changes that helped the schools get more in touch with the community as well. Public school administrators approved a neighborhood school initiative to increase the number of schools that students can walk to; they converted halftime kindergarten to fulltime; they embarked on a major expansion of before- and after-school child care. And they launched a citywide effort to publicize successes and new programs to prospective and current parents. (Norquist 2002)

Two econometric studies that examined competition and feasibility issues cast an unfavorable light on voucher plans.

The first, examining whether vouchers increase educational quality in public and private schools, found vouchers' effects to be ambiguous, even when controlling for "budget-maximizing administrators" (Rangazas 1997). Across models and alternative plans, "vouchers will remove those households with the greatest willingness and ability to pay for education, leaving households behind who are less responsive to changes in public-school quality. This means public-education providers are likely to become less, not more, efficient."

The second study, which probed costs of educational voucher systems, made "ballpark" estimates in five cost areas: accommodating additional students, recordkeeping, student transportation, information to parents, and dispute adjudication (Levin and Driver 1997). These estimates suggest that "the public costs of a voucher plan in a representative U.S. context could raise public educational costs by 25 percent or more" (Rangazas 1997).

Voucher Programs' Cost-Effectiveness

Proponents claim that voucher plans use "education dollars more efficiently than public schools," because of many private/parochial schools' lower per-unit costs and because "private schools can choose not to admit children with disabilities and special learning needs" (Fuller and others 1999). Since private sectarian schools are heavily

subsidized, vouchers only cover part of tuition and other costs (Southwest Educational Development Laboratory 2000).

According to Policy Analysis for California Education (PACE) researchers, the Cleveland program refutes such cost-effectiveness claims. Although the voucher unit cost is $1,763, additional costs for transportation, administration, and two ancillary state-aid programs bring the total to $3,192—comparable to the cost of regular public-school education. A study by Jay Greene and others (1997) brings estimated per-pupil costs to $6,507. This figure "includes average K-12 expenditures after costs have been factored in for expensive categorical programs, like special education or compensatory reading programs—efforts which don't operate in voucher-supported private schools" (Fuller and others 1999).

Barbara Miner (2000), editor of the Milwaukee-based journal *Rethinking Schools*, claims that the Milwaukee voucher program is draining money and support from public schools. The $39 million program "is not funded separately but comes directly out of state dollars that would otherwise go to public schools." Meanwhile, the state has also imposed spending limits on public schools, leading to a $31 million deficit in 1999-2000. Under Current Wisconsin law, "school districts may raise local property taxes to help pay for the voucher program, but cannot raise taxes similarly to meet the needs of public schools" (Miner 2000).

Economist Henry Levin (1998) suggests that the cost of a public voucher system may actually exceed the cost of the present system. According to his analysis of Milwaukee's program, private schools with voucher students received for the 1996-97 school year about $1,000 more per student than did comparable public schools. Levin calculated that the cost of a national voucher program open to all students and providing all public-school services would cost taxpayers about $33 billion yearly. The "costs of accommodating additional students in private schools, record-keeping and monitoring, and providing transportation would... bring the total to $73 billion, about 25 percent of the current cost of public education nationally" (Levin 1998).

In addition to assuming increased regulatory duties for a voucher program, the state would also have to open parent-information centers, establish an adjudication system to mediate interschool disputes, and set up a student-eligibility monitoring and assessment system. School certification systems would likely expand, along with pressures to fund student transportation, as Levin suggests (Fuller and others 1999).

Policy Issues and Recommendations

Objective research studies on public vouchers are still needed. As WestEd researchers have observed, "virtually no studies conducted to date are credible to both sides of the issue" (Adelsheimer 1999). Collaborative, large-scale, multiyear studies that use methodologies approved by advocates and opponents would be invaluable. The National Research Council plans to conduct a ten-year, large-scale examination of voucher programs (White 1999). Paul Peterson (1999), who has evaluated private

voucher programs in several cities, believes these pilot projects can contribute a great deal to scholarship and ongoing discussions about school choice, regardless of sector.

WestEd researchers offer other recommendations, such as the importance of educating the public about alternative school-choice options, considering the true costs of administering voucher programs (including compensating public schools for loss of students), and designing programs to further educational and future employment opportunities (Adelsheimer 1999). Planners must address voucher amount and availability, selection of recipients, dissemination of information, engagement of nonchoosers, racial/ethnic balance, provisions for special-needs students, and transportation.

Arguments for Progressive Voucher Policies

Matthew Miller (1999) recommends that teacher unions embrace choice innovations as a catalyst for improving public education and that conservative voucher advocates relinquish their money-saving motivations. Claiming support from Milton Friedman, the NAACP, Lamar Alexander, and assorted liberals, Miller advocates furnishing poor, innercity kids and failing local public schools with vouchers based on basic per-pupil costs plus 20 percent. This progressive approach, Miller believes, will "pursue the benefits of vouchers without risk to the poor." However, Miller's "grand bargain" idea made little headway at a March 2000 conference for advocates and opponents sponsored by the Annenberg Policy Center at the University of Pennsylvania.

Two other experts have also advanced a liberal case for vouchers. Harvard University professor and researcher Paul Peterson (1999) believes that "vouchers have the potential to improve socioeconomic and racial integration, as long as they are generous enough to cover most of the tuition and... schools are prohibited from racial or ethnic discrimination in admissions." As Peterson point out, public schools are already "plagued by vast inequalities," despite decades of finance reforms and three decades of busing programs.

Robert Reich (2000), former U.S. Secretary of Labor, takes Peterson's argument further in a *Wall Street Journal* commentary. Like Peterson, he acknowledging the polarization between good and bad schools, due to residential/income segregation and inequitable tax base problems. Reich is convinced that the only way to "decouple poor kids from lousy schools is to give [them] additional resources, along with vouchers" and enable them and their parents to use them appropriately. Like Miller, he advocates a progressive, well-funded voucher system that will benefit recipients *and also* improve public schools, instead of draining their resources.

Under Reich's plan, "a child from America's poorest 20 percent of families" would receive a $10,000 to $12,000 voucher; children from the next quintile would receive vouchers worth $8,000 to $10,000. According to Reich, both urban and suburban schools would actually *compete* for the hardest-to-teach students and would have enough funds to hire better-qualified teachers, start after-school programs, and buy new

textbooks. Since implementing a progressive voucher system would probably mean pooling local property taxes from poor and affluent communities, he advises proponents and public-school reformers not to hold their breath.

Some Criteria for Measuring Voucher Proposals

The National Center for the Study of Privatization at Columbia University Teacher's College, headed by Harry Levin, has established four criteria for judging voucher plans' quality and integrity: the degree to which they offer (1) freedom of choice, (2) productive efficiency, (3) equity, and (4) social cohesion (Goldberg 2001). (The center seeks to be objective in its research methods; its studies of educational outcomes usually offend privatization advocates and opponents alike.)

In a recent interview (Goldberg 2001), Levin says his *primary* concern is not determining the relative merits of private versus public schooling, but improving the welfare of disadvantaged students in New York and elsewhere. He believes no current research project or reform policy can work fast enough to rescue a constantly shifting population of low-achieving students trapped in unresponsive, financially distressed, innercity schools.

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